

Invoice Documentation

This section provides guidance and information on how to report expenditures on the Invoice and State Share Documentation reports.

Authority and Guidance

All costs for CalFresh Outreach (CFO) must be allowable, reasonable and necessary. United States Department of Agriculture (USDA) and Office of Management and Budget (OMB) define what costs are allowable.

Reasonable costs are those that:

- Provide a program benefit generally commensurate with the amount incurred
- Are in proportion with other program costs for the function
- Have a high priority relative to other demands

Necessary costs are those that:

- Are needed to carry out essential functions
- Cannot be avoided without adverse impact on program operations
- Do not duplicate existing efforts

Personnel Salaries: Time Tracking

Definition

Supplemental Nutrition Assistance Program (SNAP) State Outreach Plan Guidance section B8, time and effort reporting is required for all paid staff (full and part time). Time and Effort Forms (TEFs) are used to calculate the charges, including salaries and benefits, for time spent on allowable CFO activities.

Staff who devote 100 percent of their time to CFO use a different reporting form than staff who devote less than 100 percent time.

Documentation/Forms

Staff Devoting 100 Percent of Time to CalFresh

A [Semi-Annual Certificate of Activity](#) must be signed every six months by the employee and supervisor and maintained on file with the prime contractor for all staff dedicating 100 percent time to CFO.

Staff Devoting Less Than 100 Percent of Time to CalFresh

Any personnel dedicating less than 100 percent time to CFO (i.e., their time is charged to more than one funding source) must complete a TEF. All TEFs must be completed and signed by the individual contributing time, based

upon actual hours worked for CFO and signed off by a supervisor or designee.

Reporting of Absences, Vacation, and Leave

The TEF must indicate any paid absences, vacation and leave that is being reimbursed with USDA funding. Absences, vacation and other leave time must be prorated by the employee's CFO full time equivalent (FTE) for staff not dedicating 100 percent of time to CFO.

Time Record Signatory Authority for Executive Directors

When an Executive Director is claiming time towards CFO, USDA allows a CalFresh Program Manager (or equivalent position) to sign off as a supervisor or designee for the Executive Director's TEF.

Fringe Benefits

Definition

Fringe Benefits may include expenses such as statutory benefits, a comprehensive benefits package or other benefits (e.g., medical, dental, vision coverage, long-term disability, accidental death insurance, and a tax-sheltered annuity program). Benefits may be calculated using various rates depending on individual factors.

NOTE: Average fringe benefit rate may be used for budgeting, however, actual fringe costs must be used for billing.

Operating Expenses

Definition

Operating expenses are administrative costs for CFO, including all administrative expenses that are reasonable and necessary to operate approved CFO activities. Allowable administrative expenses include but are not limited to:

- Equipment lease, supplies, postage and duplication costs
- Facilities lease or rental
- Maintenance expenses
- Communication (telephone, internet)

Authority and Guidance

Operating expenses are normally anticipated expenditures and are listed in the Annual Budget Detail and allowed by your approved contract. All operating expense costs must be allowable, reasonable and necessary.

Proration

Contractors are required to prorate **all** operating expenses by FTE when a staff person is not dedicating 100 percent of time to the CFO contract. This proration ensures that USDA funds will be directed only to approved CFO activities and staff. The most common (and preferred) method of proration is based on FTE.

Documentation and Forms

[2 CFR 420-475](#) provides guidance on general provision to allowable and unallowable cost categories.

Equipment Expenses

Definition

Equipment is defined as non-expendable property used to conduct allowable CFO activities. The term equipment is used to describe items such as computers, tablets, monitors, scanners, printers, DVD players, cameras, office furniture and other office equipment necessary for contract fulfillment. Equipment shared with other programs must be prorated.

All equipment purchased solely or partially with contract funds belong to the CDSS and may be retrieved upon termination of the contract.

Proration

Contractors are required to prorate **all** equipment expenses by FTE when a staff person is not dedicating 100 percent of time to the CFO contract. This proration ensures that USDA funds will be directed only to approved CFO activities and staff. The most common (and preferred) method of proration is based on FTE.

Documentation and Forms

You are allowed to invoice for equipment approved in your CFO contract. See the [CFO Equipment Expense Guidance](#) for complete details on purchasing, registering, tracking and disposing of equipment.

Travel & Per Diem

Definition

Travel costs are expenses for transportation, lodging, meals, and related items incurred by a CFO staff conducting allowable CFO activities.

Authority and Guidance

Travel and Per Diem expenses are normally anticipated expenditures and are listed in the Annual Budget Detail and allowed by your approved contract. All Travel and Per Diem expenses must be allowable, reasonable and necessary.

All travel expenses must adhere to current California Department of Human Resources (CalHR) [travel reimbursements guidelines](#), which apply to prime contractors as well as subcontractors.

Proration

Contractors are required to prorate travel and per diem expenses when the purpose of the travel is not 100 percent CFO related. The proration shall be calculated based on the percentage of CFO related activities. This proration ensures that USDA funds will be directed only to approved CFO activities and staff.

Documentation and Forms

Travel reimbursement forms can be found on the California Department of Human Resources (CalHR) website.

<http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>

See CFO [Travel and Per Diem Guidance](#) for complete details on documenting expenses for travel and per diem.

Subcontractor Agreements

Definitions

A subcontractor can be any qualified agency which conducts allowable CFO activities which contribute to fulfillment of the prime contractor's program objectives. Subcontractors may also have subcontracts.

Subcontractors that also have subcontracts are referred to as prime-sub.

Contract Expectations Concerning Subcontractors (Exhibit D § G)

- There is no contractual relationship between CDSS and subcontractors and prime-subs
- The prime contractor is fully responsible to fulfill the deliverables of the approved CFO contract
- The prime contractor is fully responsible to CDSS for the acts and omissions of its subcontractors and/or prime-subs
- CDSS is only obligated to pay the prime contractor for services rendered under the approved CFO contract

Authority and Guidance

The [SNAP Outreach Plan Guidance](#) (page 10), allows State Agencies like CDSS to contract with qualified agencies to conduct CFO activities.

The CDSS CFO contract allows those contracted to utilize subcontracting agencies to conduct allowable CFO activities.

Documentation and Forms

Expenses are submitted through the prime contractor to CDSS for allowable CFO activities. Subcontractors' signed invoices and supporting documentation must be kept on file with the prime contractor and do not need to be submitted to CDSS, unless requested.

Subcontractors must:

- Fulfill the terms of the Memorandum of Understanding (MOU) with the prime contractor or the prime-sub (if applicable)
- Ensure that State Share funding sources conform to standards set forth in the USDA Guidance and the approved CFO contract
- Have all staff complete and sign the CFO Confidentiality Agreement and provide a copy to the prime contractor or the prime-sub (if applicable)
- Submit monthly/quarterly Federal Share Invoices and State Share Documentation Reports, Time and Effort reports, line item detail documentation equivalent to what is documented in the CFO Invoicing Template and SOW summary reports to the prime contractor or the prime-sub (if applicable)

Other Costs

Definition

Other costs are defined as non-routine, occasional or one-time costs for CFO. Allowable Other costs may include but are not limited to:

- Training fees
- Fair booth rental fees
- Technology Equipment (computers, laptops, etc.)
- Audit costs

Authority and Guidance

Other cost expenses are normally non-routine expenditures and are detailed in the Annual Budget Detail and allowed by your approved CFO contract. All Other Costs expense must be allowable, reasonable and necessary as defined in the OMB.

Proration

Contractors are required to prorate **all** Other Cost expenses by FTE when a staff person is not dedicating 100 percent of time to the CFO contract. This proration ensures that USDA funds will be directed only to approved CFO activities and staff. The most common (and preferred) method of proration is based on FTE.

Indirect Costs

The Code of Federal Regulations describe cost principles that apply to organizations receiving federal reimbursements. Please refer to the appropriate regulation in the link below, based on your agency type, for information on how to determine indirect rate calculations.

- [Indirect \(F&A\) costs](#)

Regardless of the indirect cost method used, the applied indirect cost rate cannot exceed 26 percent of the total Modified Direct Costs (Total Direct Costs less subcontractors and equipment).

Federally-Negotiated Rates

If the Contractor has a federally-negotiated rate, that rate will be used for calculating the Indirect Costs line item. Contractors using a federally-negotiated rate were required to submit supporting documentation of that rate with the Request for Application (RFA) in the form of a letter from the cognizant agency that has approved the indirect rate. A cognizant agency is a federal agency that is responsible for establishing Indirect Cost rates.

Simplified Allocation Method

If the Contractor does not have a federally negotiated rate, the Contractor may use the Simplified Allocation Method to determine an indirect rate for the proposed budget. Contractors choosing this option were required to complete and sign the Certification of Indirect Costs form in the RFA, which signifies the use of the simplified allocation method to determine their indirect rate. The established rate indicated on the Certification of Indirect Costs form is the one to be used for calculating the indirect cost line item. Any time a Contractor needs to update its indirect cost rate using this method, a new Certification of Indirect Costs form must be submitted to the PA.

Colleges and Universities

Because most CFO activities normally occur off-campus, the off-campus rate is considered most appropriate. If the majority of CalFresh Outreach activities will be conducted on-campus, then the on-campus rate will be allowed.

Supporting Documentation Requirements

For Contractors using a federally-negotiated rate, this supporting documentation should be in the form of a letter from the cognizant agency that has approved the indirect cost rate. This information can generally be obtained from the Contractor's fiscal department, as they will have worked with the cognizant agency to determine the indirect rate for their other funding sources.

Contractors using the Simplified Allocation Method must document the prior year expenditure to date information that was used as the basis for the calculations indicated on the Certification of Indirect Costs form.